



General Assembly

February Session, 2010

Raised Bill No. 5365

LCO No. 1546

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Referred to Committee on Energy and Technology

Introduced by:
(ET)

AN ACT CONCERNING ELECTRIC DISTRIBUTION COMPANIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2010*) Notwithstanding any other
2 provision of the general statutes, an electric distribution company may
3 construct, purchase, own or operate a generation facility for Class I or
4 Class II renewable energy sources, as defined in section 16-1 of the
5 general statutes and as determined by the Department of Public Utility
6 Control. An electric distribution company constructing or purchasing
7 such generation facility shall recover the costs of such investment and
8 operation, including a return on investment, in a nonbypassable
9 charge as determined by the department in an annual proceeding held
10 pursuant to sections 16-19, 16-19b and 16-19e of the general statutes.

11 Sec. 2. (NEW) (*Effective July 1, 2010*) Notwithstanding any other
12 provision of the general statutes, an electric distribution company may
13 construct, purchase, own or operate in-state generation facilities for
14 customer-side distributed resources, as defined in section 16-1 of the
15 general statutes and as determined by the Department of Public Utility
16 Control. An electric distribution company's contract for the

17 construction, purchase or operation of such generation facility shall
18 recover the costs of such investment and operation, including a
19 reasonable return on investment. Before executing the contract, a
20 person on whose premises the generation is or will be located may
21 request the department to review the contract to determine that the
22 return on investment is consistent with the principles set forth in
23 subdivision (4) of subsection (a) of section 16-19e of the general
24 statutes.

25 Sec. 3. Section 16-243v of the general statutes is repealed and the
26 following is substituted in lieu thereof (*Effective July 1, 2010*):

27 (a) For purposes of this section: (1) "Connecticut electric efficiency
28 partner program" means the coordinated effort among the Department
29 of Public Utility Control, persons and entities providing enhanced
30 demand-side management technologies, and electric consumers to
31 conserve electricity and reduce demand in Connecticut through the
32 purchase and deployment of energy efficient technologies; (2)
33 "enhanced demand-side management technologies" means demand-
34 side management solutions, customer-side emergency dispatchable
35 generation resources, customer-side renewable energy generation, load
36 shifting technologies and conservation and load management
37 technologies that reduce electric distribution company customers'
38 electric demand, and high efficiency natural gas and oil boilers and
39 furnaces; and (3) "Connecticut electric efficiency partner" means (A) an
40 electric distribution company customer who acquires an enhanced
41 demand-side management technology, [or] (B) a person, [other than]
42 including an electric distribution company, that provides enhanced
43 demand-side management technologies to electric distribution
44 company customers, or (C) such a customer or person working
45 together to develop, implement or monitor approved technologies,
46 proposals and programs.

47 (b) The Energy Conservation Management Board, in consultation
48 with the Renewable Energy Investments Advisory Committee, shall

49 evaluate and approve enhanced demand-side management
50 technologies that can be deployed by Connecticut electric efficiency
51 partners to reduce electric distribution company customers' electric
52 demand. Such evaluation shall include an examination of the potential
53 to reduce customers' demand, federally mandated congestion charges
54 and other electric costs. On or before October 15, 2007, the Energy
55 Conservation Management Board shall file such evaluation with the
56 Department of Public Utility Control for the department to review and
57 approve or to review, modify and approve on or before October 15,
58 2007.

59 (c) Not later than October 15, 2007, the Energy Conservation
60 Management Board shall file with the department, for the department
61 to review and approve or to review, modify and approve, an analysis
62 of the state's electric demand, peak electric demand and growth
63 forecasts for electric demand and peak electric demand. Such analysis
64 shall identify the principal drivers of electric demand and peak electric
65 demand, associated electric charges tied to electric demand and peak
66 electric demand growth, including, but not limited to, federally
67 mandated congestion charges and other electric costs, and any other
68 information the department deems appropriate. The analysis shall
69 include, but not be limited to, an evaluation of the costs and benefits of
70 the enhanced demand-side management technologies approved
71 pursuant to subsection (b) of this section and establishing suggested
72 funding levels for said individual technologies.

73 (d) Commencing April 1, 2008, any person may apply to the
74 department for certification and funding as a Connecticut electric
75 efficiency partner. Such application shall include the technologies that
76 the applicant shall purchase or provide and that have been approved
77 pursuant to subsection (b) of this section. In evaluating the application,
78 the department shall (1) consider the applicant's potential to reduce
79 customers' electric demand, including peak electric demand, and
80 associated electric charges tied to electric demand and peak electric
81 demand growth, (2) determine the portion of the total cost of each

82 project that shall be paid for by the customer participating in this
83 program and the portion of the total cost of each project that shall be
84 paid for by all electric ratepayers and collected pursuant to subsection
85 (h) of this section. In making such determination, the department shall
86 ensure that all ratepayer investments maintain a minimum two-to-one
87 payback ratio, and (3) specify that participating Connecticut electric
88 efficiency partners shall maintain the technology for a period sufficient
89 to achieve such investment payback ratio. The annual ratepayer
90 contribution for projects approved pursuant to this section shall not
91 exceed sixty million dollars. Not less than seventy-five per cent of such
92 annual ratepayer investment shall be used for the technologies
93 themselves. No person shall receive electric ratepayer funding
94 pursuant to this subsection if such person has received or is receiving
95 funding from the Energy Conservation and Load Management Funds
96 for the projects included in said person's application. No person shall
97 receive electric ratepayer funding without receiving a certificate of
98 public convenience and necessity as a Connecticut electric efficiency
99 partner by the department. The department may grant an applicant a
100 certificate of public convenience if it possesses and demonstrates
101 adequate financial resources, managerial ability and technical
102 competency. The department may conduct additional requests for
103 proposals from time to time as it deems appropriate. The department
104 shall specify the manner in which a Connecticut electric efficiency
105 partner shall address measures of effectiveness and shall include
106 performance milestones. For each project that has been supported by
107 ratepayer contribution, the department shall require the applicable
108 Connecticut energy efficiency partner to submit data sufficient to
109 enable the department to monitor the efficacy and cost effectiveness of
110 such project at least annually, commencing in the year after the project
111 has become operational. In conducting such monitoring, the
112 department may work in conjunction with the Energy Conservation
113 Management Board or may use a third-party consultant, provided the
114 costs of monitoring shall be included as recoverable costs pursuant to
115 subsection (f) of this section. The department shall review the results of

116 the monitoring in an uncontested proceeding and include the decision
117 in the proceeding as part of the department's report under subsection
118 (i) of this section.

119 (e) Beginning February 1, 2010, a certified Connecticut electric
120 efficiency partner may only receive funding if selected in a request for
121 proposal developed, issued and evaluated by the department. In
122 evaluating a proposal, the department shall take into consideration the
123 potential to reduce customers' electric demand including peak electric
124 demand and energy consumption, and associated electric charges tied
125 to electric demand, energy and peak electric demand growth,
126 including, but not limited to, federally mandated congestion charges
127 and other electric costs, and shall utilize a cost benefit test established
128 pursuant to subsection (c) of this section to rank responses for
129 selection. The department shall determine the portion of the total cost
130 of each project that shall be paid by the customer participating in this
131 program and the portion of the total cost of each project that shall be
132 paid by all electric ratepayers and collected pursuant to the provisions
133 of this subsection. In making such determination, the department shall
134 (1) ensure that all ratepayer investments maintain a minimum two-to-
135 one payback ratio, and (2) specify that participating Connecticut
136 electric efficiency partners shall maintain the technology for a period
137 sufficient to achieve such investment payback ratio. The annual
138 ratepayer contribution shall not exceed sixty million dollars. Not less
139 than seventy-five per cent of such annual ratepayer investment shall be
140 used for the technologies themselves. No Connecticut electric
141 efficiency partner shall receive funding pursuant to this subsection if
142 such partner has received or is receiving funding from the Energy
143 Conservation and Load Management Funds for such technology. The
144 department may conduct additional requests for proposals from time
145 to time as it deems appropriate. The department shall specify the
146 manner in which a Connecticut electric efficiency partner shall address
147 measures of effectiveness and shall include performance milestones.
148 For each project that has been paid by electric ratepayer contribution,
149 the department shall require the applicable Connecticut energy

150 efficiency partner to submit data sufficient to enable the department to
151 monitor the efficacy and cost effectiveness of such project at least
152 annually, commencing in the year after the project has become
153 operational. In conducting such monitoring, the department may work
154 in conjunction with the Energy Conservation Management Board or
155 may use a third-party consultant, provided the costs of monitoring
156 shall be included as recoverable costs pursuant to subsection (f) of this
157 section. The department shall review the results of the monitoring in
158 an uncontested proceeding and include the decision in the proceeding
159 as part of the department's report under subsection (i) of this section.

160 (f) The department may retain the services of a third party entity
161 with expertise in areas such as demand-side management solutions,
162 customer-side renewable energy generation, customer-side distributed
163 generation resources, customer-side emergency dispatchable
164 generation resources, load shifting technologies and conservation and
165 load management investments to assist in the development and
166 operation of the Connecticut electric efficiency partner program. The
167 costs for obtaining third party services pursuant to this subsection
168 shall be recoverable through the systems benefits charge.

169 (g) The department shall develop a long-term low-interest loan
170 program to assist certified Connecticut electric efficiency partners in
171 financing the customer portion of the capital costs of approved
172 enhanced demand-side management technologies. The department
173 may establish such financing mechanism by the use of one or more of
174 the following strategies: (1) Modifying the existing long-term
175 customer-side distributed generation financing mechanism established
176 pursuant to section 16-243j, (2) negotiating and entering into an
177 agreement with the Connecticut Development Authority to establish a
178 credit facility or to utilize grants, loans or loan guarantees for the
179 purposes of this section upon such terms and conditions as the
180 authority may prescribe including provisions regarding the rights and
181 remedies available to the authority in case of default, or (3) selecting by
182 competitive bid one or more entities that can provide such long-term

183 financing. Upon the request of an electric distribution company, the
184 department shall authorize the cost of projects using approved
185 enhanced demand-side management technologies, including capital
186 costs, for recovery in accordance with subsection (h) of this section.

187 (h) The department shall provide for the payment of electric
188 ratepayers' portion of the costs of deploying enhanced demand-side
189 management technologies by implementing a contractual financing
190 agreement with the Connecticut Development Authority or a private
191 financing entity selected through an appropriate open competitive
192 selection process or by allowing recovery of such costs incurred by an
193 electric distribution company over time by establishing a regulatory
194 asset, with electric distribution company recovery of such costs and a
195 return on unamortized balances to be recovered through the systems
196 benefits charge over an amortized period to be established by the
197 department based upon the expected useful life of the projects. No
198 contractual financing agreements entered into with the Connecticut
199 Development Authority shall exceed ten million dollars. Any electric
200 ratepayer costs resulting from such financing agreement shall be
201 recovered from all electric ratepayers through the systems benefits
202 charge.

203 (i) On or before February 15, 2009, and annually thereafter, the
204 department shall report to the joint standing committee of the General
205 Assembly having cognizance of matters relating to energy regarding
206 the effectiveness of the Connecticut electric efficiency partner program
207 established pursuant to this section. Said report shall include, but not
208 be limited to, an accounting of all benefits and costs to ratepayers, a
209 description of the approved technologies, the payback ratio of all
210 investments, the number of programs deployed and a list of proposed
211 projects compared to approved projects and reasons for not being
212 approved.

213 (j) On or before April 1, 2011, the Department of Public Utility
214 Control shall initiate a proceeding to review the effectiveness of the

215 program and perform a ratepayer cost-benefit analysis. Based upon the
216 department's findings in the proceeding, the department may modify
217 or discontinue the partnership program established pursuant to this
218 section.

219 Sec. 4. Subdivision (4) of subsection (a) of section 16-244e of the
220 general statutes is repealed and the following is substituted in lieu
221 thereof (*Effective July 1, 2010*):

222 (4) The unbundling plan and order shall provide for the allocation
223 of the rights and responsibilities pursuant to sections 16-245e to 16-
224 245k, inclusive, between the electric distribution company and any
225 generation entities or affiliates and shall provide for the allocation of
226 revenue under a special contract among those components of a
227 customer's bill specified in subparagraph (A) of subdivision [(1)] (2) of
228 subsection (a) of section 16-245d. Such plan shall include a proposed
229 modification or elimination to the adjustment pursuant to section 16-
230 19b. Such plan shall not allow the transfer of assets or liabilities
231 allocable or belonging to transmission or distribution functions or
232 facilities to the generation entity or affiliate of an electric company, nor
233 allow the transfer of assets or liabilities, other than financial assets or
234 liabilities to be funded by the competitive transition assessment
235 pursuant to section 16-245g or the systems benefits charge pursuant to
236 section 16-245l, allocable or belonging to generation functions or
237 facilities to the electric distribution company, as defined in section 16-
238 1, unless federal law or regulation requires such a transfer with regard
239 to nuclear generation assets. All entitlements and obligations from any
240 purchased power contract or independent power producer contract
241 entered into before July 1, 1998, by the predecessor electric company
242 which are not bought out shall succeed to the electric distribution
243 company. Such plan shall include a discussion of the impacts of the
244 proposed plan on the company's employees and plans for mitigating
245 such impact.

246 Sec. 5. Section 16-245m of the general statutes is amended by adding

247 subsection (h) as follows (*Effective July 1, 2010*):

248 (NEW) (h) An electric distribution company may make additional
 249 investments in cost-effective conservation and load-management
 250 programs beyond the levels funded through the charge imposed
 251 pursuant to subsection (a) of this section, provided such programs
 252 have been evaluated by the Energy Conservation Management Board
 253 in a manner, and are subject to ongoing monitoring, similar to the
 254 evaluation and monitoring of programs funded through the charge
 255 imposed pursuant to subsection (a) of this section. Any such increased
 256 investment shall be included in the company's rate base and the
 257 company shall recover the costs associated with such investment in
 258 accordance with the principles of sections 16-19e and 16-49. Costs shall
 259 be recovered through a conservation charge on customers' bills, which
 260 may be combined with the charge imposed pursuant to subsection (a)
 261 of this section, provided receipts from the charge imposed pursuant to
 262 said subsection (a) shall continue to be deposited into the Energy
 263 Conservation and Load Management Fund established pursuant to
 264 subsection (b) of this section.

265 Sec. 6. Section 16-245d of the general statutes is repealed and the
 266 following is substituted in lieu thereof (*Effective July 1, 2010*):

267 (a) The Department of Public Utility Control shall, by regulations
 268 adopted pursuant to chapter 54, develop a standard billing format that
 269 enables customers to compare pricing policies and charges among
 270 electric suppliers. [Not later than January 1, 2006, the] The department
 271 shall adopt regulations, in accordance with the provisions of chapter
 272 54, to provide that an electric supplier (1) until October 1, 2010, may
 273 provide direct billing and collection services for electric generation
 274 services and related federally mandated congestion charges that such
 275 supplier provides to its customers [that have] with a maximum
 276 demand of not less than one hundred kilowatts [and] that choose to
 277 receive a bill directly from such supplier, and (2) on and after October
 278 1, 2010, shall provide direct billing and collection services for electric

279 generation services and related federally mandated congestion charges
 280 that such suppliers provide to their customers.

281 (1) An electric supplier shall, in accordance with the billing format
 282 developed by the department, include the following information in
 283 each customer's bill: (A) The total amount owed by the customer,
 284 which shall be itemized to show (i) the electric generation services
 285 component and any additional charges imposed by the electric
 286 supplier, and (ii) federally mandated congestion charges applicable to
 287 the generation services; (B) any unpaid amounts from previous bills,
 288 which shall be listed separately from current charges; (C) the rate and
 289 usage for the current month and each of the previous twelve months in
 290 the form of a bar graph or other visual format; (D) the payment due
 291 date; (E) the interest rate applicable to any unpaid amount; (F) the toll-
 292 free telephone number of the Department of Public Utility Control for
 293 questions or complaints; and (G) the toll-free telephone number and
 294 address of the electric supplier.

295 (2) An [electric company,] electric distribution company [or electric
 296 supplier that provides direct billing of the electric generation service
 297 component and related federally mandated congestion charges, as the
 298 case may be,] shall, in accordance with the billing format developed by
 299 the department, include the following information in each customer's
 300 bill: [, as appropriate: (1)] (A) The total amount owed by the customer,
 301 which shall be itemized to show, [(A)] (i) the electric generation
 302 services component [and any additional charges imposed by the
 303 electric supplier, if applicable, (B)] if the customer obtains standard
 304 service or last resort service from the electric distribution company, (ii)
 305 the distribution charge, including all applicable taxes and the systems
 306 benefits charge, as provided in section 16-245l, [(C)] (iii) the
 307 transmission rate as adjusted pursuant to subsection (d) of section 16-
 308 19b, [(D)] (iv) the competitive transition assessment, as provided in
 309 section 16-245g, [(E)] (v) federally mandated congestion charges, and
 310 [(F)] (vi) the conservation and renewable energy charge, consisting of
 311 the conservation and load management program charge, as provided

312 in section 16-245m, as amended by this act, and the renewable energy
 313 investment charge, as provided in section 16-245n; [(2)] (B) any unpaid
 314 amounts from previous bills which shall be listed separately from
 315 current charges; [(3)] (C) except for customers subject to a demand
 316 charge, the rate and usage for the current month and each of the
 317 previous twelve months in the form of a bar graph or other visual
 318 form; [(4)] (D) the payment due date; [(5)] (E) the interest rate
 319 applicable to any unpaid amount; [(6)] (F) the toll-free telephone
 320 number of the electric distribution company to report power losses;
 321 [(7)] (G) the toll-free telephone number of the Department of Public
 322 Utility Control for questions or complaints; [(8) the toll-free telephone
 323 number and address of the electric supplier; and (9)] and (H) if a
 324 customer has a demand of five hundred kilowatts or more during the
 325 preceding twelve months, a statement about the availability of
 326 information concerning electric suppliers pursuant to section 16-245p.

327 (b) The regulations shall provide guidelines for determining until
 328 October 1, 2010, the billing relationship between the electric
 329 distribution company and electric suppliers, including, but not limited
 330 to, the allocation of partial bill payments and late payments between
 331 the electric distribution company and the electric supplier. An electric
 332 distribution company that provides billing services for an electric
 333 supplier shall be entitled to recover from the electric supplier all
 334 reasonable transaction costs to provide such billing services as well as
 335 a reasonable rate of return, in accordance with the principles in
 336 subsection (a) of section 16-19e.

337 Sec. 7. Subsection (a) of section 16-262c of the general statutes is
 338 repealed and the following is substituted in lieu thereof (*Effective July*
 339 *1, 2010*):

340 (a) Notwithstanding any other provision of the general statutes no
 341 electric, electric distribution, gas, telephone or water company, no
 342 electric supplier or certified telecommunications provider, and no
 343 municipal utility furnishing electric, gas, telephone or water service

344 shall cause cessation of any such service by reason of delinquency in
 345 payment for such service (1) for a nonresidential account, on any
 346 Friday, Saturday, Sunday, legal holiday or day before any legal
 347 holiday, [provided such a company, electric supplier, certified
 348 telecommunications provider or municipal utility may cause cessation
 349 of such service to a nonresidential account on a] unless such Friday
 350 [which] is not a legal holiday or the day before a legal holiday when
 351 the business offices of the company, electric supplier, certified
 352 telecommunications provider or municipal utility are open to the
 353 public the succeeding Saturday, (2) for a residential account, on a
 354 Friday that is not a legal holiday or the day before a legal holiday
 355 unless (A) the business offices of the company, electric supplier,
 356 certified telecommunications provider or municipal utility are open to
 357 the public the succeeding Saturday, or (B) the Department of Public
 358 Utility Control has determined that an adequate number of remote
 359 payment centers are open on Saturdays and that such entity's
 360 personnel sent to effect termination on a Friday are enabled to accept
 361 noncash to avoid termination, or (3) for any account at any time during
 362 which the business offices of said company, electric supplier, certified
 363 telecommunications provider or municipal utility are not open to the
 364 public [,] or [(3)] within one hour [before the] of closing. [of the
 365 business offices of said company, electric supplier or municipal utility.]

366 Sec. 8. (NEW) (*Effective July 1, 2010*) Notwithstanding any other
 367 provision of the general statutes, an electric distribution company may
 368 provide notice of the identity of any nursing home or other long-term
 369 care facility to which the electric distribution company has sent a shut-
 370 off notice as a result of the facility's payment delinquency to the
 371 Department of Public Utility Control, the Department of Social
 372 Services and the Department of Public Health. Such notice shall
 373 include the name and address of the facility, the amount due to the
 374 electric distribution company, the dates and amounts of the last five
 375 payments by the facility and a copy of the shut-off notice.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010</i>	New section
Sec. 2	<i>July 1, 2010</i>	New section
Sec. 3	<i>July 1, 2010</i>	16-243v
Sec. 4	<i>July 1, 2010</i>	16-244e(a)(4)
Sec. 5	<i>July 1, 2010</i>	16-245m
Sec. 6	<i>July 1, 2010</i>	16-245d
Sec. 7	<i>July 1, 2010</i>	16-262c(a)
Sec. 8	<i>July 1, 2010</i>	New section

Statement of Purpose:

To enable electric distribution companies to own and operate renewable and distributed generation, to make changes to the Connecticut electric efficiency partner program, to provide for direct billing from electric suppliers, to allow electric distribution companies to terminate residential service on certain Fridays, and to enable electric distribution companies to notify certain state agencies when nursing home and long-term care facilities are at risk for service termination due to nonpayment.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]